

Northern Funds U.S. GOVERNMENT MONEY MARKET FUND

4Q2011

NOGXX/MONEY MARKET

FUND OBJECTIVE

The Fund seeks to maximize current income to the extent consistent with the preservation of capital and maintenance of liquidity by investing exclusively in high quality money market instruments.

FUND FACTS

Inception Date: April 11, 1994

Ticker Symbol: NOGXX

Gross Expense Ratio: 0.49%

Net Expense Ratio: 0.35%¹

Dividend Payment Schedule: Monthly

Benchmark: iMoneyNet Fund Average™ – Government/Agencies Retail

FUND CHARACTERISTICS

Total Net Assets: \$1.5 billion

Number of Holdings: 105

7-Day Current Yield: 0.01%

7-Day Effective Yield: 0.01%

Weighted Average Maturity: 38 days

Weighted Average Life: 84 days

FUND FEATURES

- Strive to offer relative safety by investing in securities that are substantially (and at least 80%) securities of U.S. government or its agencies, instrumentalities or sponsored enterprises.
- Invest in repurchase agreements — securities sold to investors by financial institutions which have agreed to repurchase the securities at a pre-arranged price and time; these investments provide liquidity for the portfolio and may offer a possible yield advantage relative to other short-term securities.
- Seek to maintain an average maturity range of 20 to 60 days; this conservative range helps to avoid excessive yield volatility and unnecessary risk.

HISTORICAL MONTH-END 7-DAY CURRENT YIELD

2011											
Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan
FUND											
0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%

PERFORMANCE as of 12/31/11

	ANNUALIZED						
	Quarter	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
FUND	0.00%	0.01%	0.01%	0.02%	1.30%	1.66%	3.09%
IMONEYNET FUND AVERAGE™ – GOVT/AGENCIES RETAIL ²	0.00%	0.01%	0.01%	0.04%	1.24%	1.53%	–

Performance quoted represents past performance and does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown here. Performance data current to the most recent month end is available at northernfunds.com or by calling 800-595-9111.

The Advisor has agreed to reimburse certain expenses of the Fund. The contractual reimbursement arrangement is expected to continue until at least December 31, 2012. After this date, the contractual arrangements may be terminated if it is determined to be in the best interest of the Fund and its shareholders. In the absence of fee waivers, yield, total return, growth since inception and dividends would have been reduced. Total return is based on net change in NAV assuming reinvestment of distributions. The 7-day current yield more closely reflects the current earnings of the Fund than the total returns. The Fund also includes voluntary fee waivers that may change or end at any time. The 7-day current yield would have been -0.39%.

Money Market Risk: An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

U.S. Government Guarantee: U.S. government guarantees apply only to the underlying securities of a Fund's portfolio and not the Fund's shares.

¹ The Net Expense Ratio, as reported in the most recent prospectus, includes contractual expense reimbursements that, if not extended, will end on December 31, 2012. The Fund also includes voluntary fee waivers that may change or end at any time.

Please see back page for calendar year returns and index definitions.



Managed by
Northern Trust

NOT FDIC INSURED

May lose value/No bank guarantee

MATURITY DISTRIBUTION

Maturity Range	Fund
1 Day	40.6%
2 - 15 Days	14.8%
16 - 30 Days	11.0%
31 - 60 Days	14.5%
61 - 97 Days	6.4%
98 - 180 Days	6.8%
181 - 270 Days	5.3%
271 - 366 Days	0.6%
TOTAL	100.0%

QUALITY DISTRIBUTION

Quality Rating	Fund
Tier 1	100.0%
TOTAL	100.0%

SECURITY DISTRIBUTION

Security Type	Fund
Discount Note/Treasury Bill	35.3%
Repurchase Agreements	31.0%
Variable Rate Note/Bond	15.8%
Fixed Rate Note/Bond	17.9%
TOTAL	100.0%

All data is as of date indicated and subject to change.

PORTFOLIO MANAGER



PETER YI | Began career in 2000
With Northern Trust since 2000

Mr. Yi received a Bachelor's degree from the University of Michigan and an MBA from the University of Chicago. He is a CFA charterholder and a member of the CFA Institute and the Investment Analysts Society of Chicago.

CALENDAR YEAR RETURNS

	2011	2010	2009	2008	2007
FUND	0.01%	0.02%	0.03%	1.83%	4.69%
IMONEYNET FUND AVERAGE™ – GOVT/AGENCIES RETAIL ²	0.01%	0.02%	0.08%	1.54%	4.37%

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A Conservative Investment Approach

Northern Trust has built a tradition of strength and stability in investment management. Markets fluctuate over time, but we have remained steadfast in our disciplined, risk-managed investment philosophy.

² **iMoneyNet Fund Average™ – Government/Agencies Retail** category includes all the most broadly based of the government retail funds. These funds may invest in U.S. treasuries, U.S. agencies, repos or government-backed floating rate notes. The category average is the average of all of the funds in this category reported by iMoneyNet. It is not possible to invest directly in an index.

Weighted Average Maturity: The weighted average maturity (WAM) of a money market portfolio is the asset-weighted days until maturity of each security in the portfolio. The days until maturity for WAM are calculated using the lower of the stated maturity date or next interest rate reset date.

Weighted Average Life: The weighted average life (WAL) of a money market portfolio is the asset-weighted days until maturity of each security in the portfolio. The days to maturity for WAL are calculated using the lower of the stated maturity date or demand feature date.

Distribution Calculations: All distribution calculations (Maturity Distribution, Quality Distribution and Security Distribution) are measured on a trade date basis and exclude uninvested cash from the market value used to compute the percentage calculations.

Maturity Distribution: The data is measured using the lower of the stated maturity date or next interest rate reset date.

Quality Distribution: A Tier 1 asset (or the issuer of the asset does not have short-term rating) is classified when any two of the nationally recognized statistical rating agencies have given it a rating in its top rating category (this includes A1+ and A1 for Standard & Poor's as well as F1+ and F1 for Fitch). If only one short-term rating is available, the Tier is determined by the one agency. If there are one or fewer top ratings from the agencies and the rest are in the second tier (A2, P2 or F2) then the asset falls into Tier 2. Note a split rating (A1/P2) is considered Tier 2, as it does not meet the definition for Tier 1.

Please carefully read the prospectus and summary prospectus and consider the investment objectives, risks, charges and expenses of Northern Funds before investing. Call 800-595-9111 to obtain a prospectus and summary prospectus, which contain this and other information about the funds.



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